

Agricultural Situation

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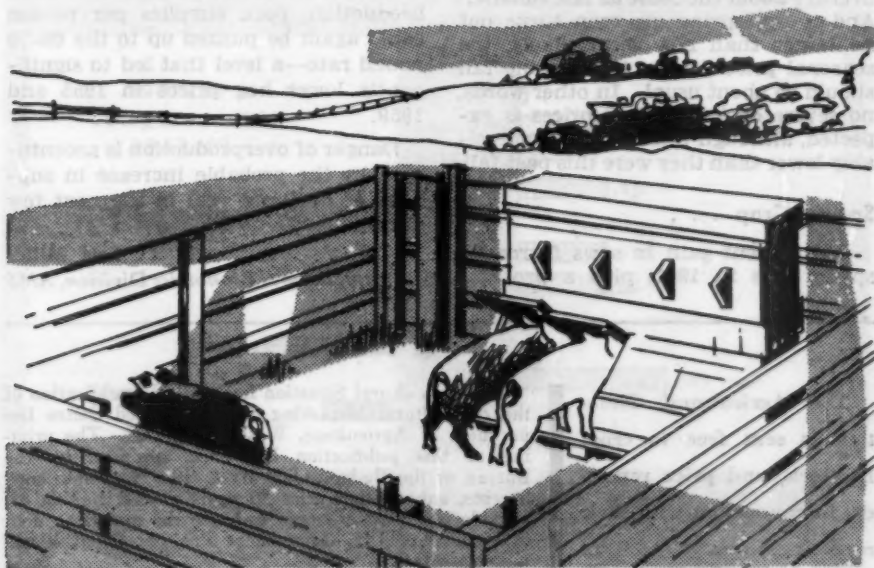
OUTLOOK FOR HOG PRICES REMAINS FAVORABLE

This looks like a pretty good year for hog producers—or so it would appear from the December pig crop report. The report told us that the fall pig crop was 3 percent smaller in 1960 than in 1959, and that, as of December 1, producers planned to keep only 4 percent more sows to farrow spring pigs.

Intentions of producers in 10 Corn

Belt States indicate that this increase will probably be spread throughout the spring season. In these 10 States 3 percent fewer hogs and pigs were on hand December 1 than a year earlier.

Because most pigs are slaughtered at 6 to 8 months of age, the makeup of December 1 inventories indicates that hog slaughter this winter will continue





HOGS—Continued

below last winter. The difference in marketings from a year earlier will narrow during late winter and early spring, and by mid-1961, marketings will probably be close to or a little above a year before.

This means that hog prices may hold close to present prices during the next few months.

Hog prices in mid-January were about \$4.00 per 100 pounds above last year's prices. Prices rose during the early part of 1960, increasing from an average price to farmers of \$12.10 per 100 pounds in January to \$15.50 in April. A relatively steady price trend in 1961 would mean prices this spring close to or only a little above prices last spring.

Hog slaughter is expected to rise above 1960 levels by about mid-year when marketings from the increased late 1960 fall farrowings begin. Following this, supplies will come from early spring pigs.

Although hog prices will rise seasonally this summer they will probably average about the same as last summer. And if the spring pig crop turns out no larger than now seems likely, the seasonal price decline this coming fall should be about usual. In other words, no severe decline in hog prices is expected, although prices will be appreciably lower than they were this past fall.

Spring Crop . . .

A 4 percent gain in sows farrowing spring pigs in 1961, plus a probable

increase in the number of pigs saved per litter, would result in a modest 5 percent gain in the number of spring pigs. This would be the third smallest spring crop since World War II and the smallest, relative to population, in any postwar year except 1960.

Demand . . .

Even granting that the demand for pork has declined and that we will have more beef to eat, it appears that pork supplies will not be excessive next fall and hog prices should be relatively favorable. On the average, consumers ate about 65 pounds of pork in 1960 and nearly the same amount per person seems probable this year.

The average price to producers for hogs last year was \$15.40 per 100 pounds. About the same price is forecast for 1961. But farmers should be aware of the danger of overproduction in 1962.

In recent years hog production has usually increased for 2 years before turning downward. Should conditions this year lead to a sharp increase in hog production, pork supplies per person could again be pushed up to the 68-70 pound rate—a level that led to significantly lower hog prices in 1955 and 1959.

Danger of overproduction is accentuated by the probable increase in supplies of beef and veal in the next few years.

Earl Miller

Agricultural Economics Division, AMS

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

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WHICH VEGETABLES DO WE EAT MORE OF: FRESH OR PROCESSED?

We ate slightly more fresh than processed vegetables in 1960, but there's some chance that in 1961 per capita consumption of processed (on a fresh equivalent basis) may equal or exceed fresh for the first time.

In the past few years, consumption of processed vegetables has been rising, that of fresh vegetables has been falling. Consumption of fresh vegetables declined 15 percent from 1947-49 through 1957-59. Use of processed vegetables increased 23 percent—canned vegetables increased 13 percent and frozen more than doubled. In 1960 per capita consumption of fresh vegetables totaled about 101 pounds, that of processed about 99 pounds (fresh equivalent).

The most striking change over the past decade has been the rapidly growing popularity of frozen vegetables. The use of frozen vegetables, excluding potatoes, increased from about 4 percent of total vegetable consumption 10 years ago to about 8 percent recently.

All major frozen vegetables shared in the growth.

During the past decade, per capita consumption of commercially produced vegetables, both fresh and processed, remained remarkably stable, at around 200 pounds a year.

Total use per person declined materially for cabbage, spinach, and several less important vegetables. Sizeable increases occurred for lima beans, broccoli, sweet corn, cucumbers, and tomatoes (see the chart).

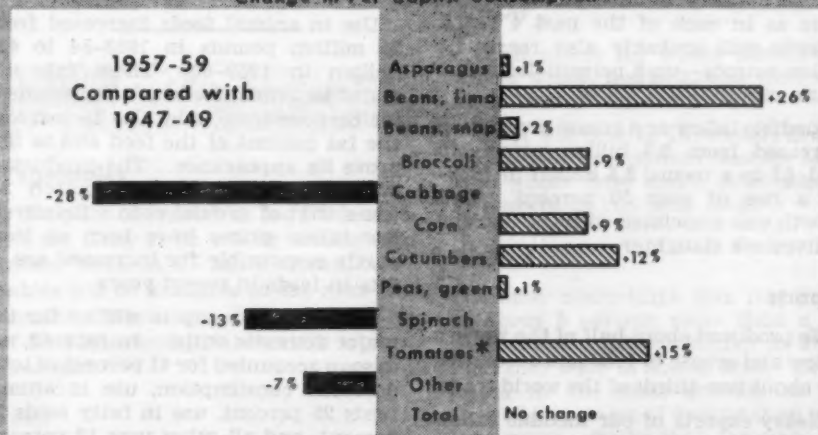
Only three important vegetables—sweet corn, cucumbers, and lettuce—were able to hold their own in the fresh form. Among major canned vegetables, per capita consumption of sauerkraut declined a tenth. Frozen peas and spinach made important inroads on the use of canned. Sweet corn little more than held its own, but use of most other canned vegetables rose significantly.

Will Simmons

Agricultural Economics Division, AMS

FRESH AND PROCESSED VEGETABLES^Δ

Change in Per Capita Consumption



^Δ FRESH EQUIVALENT BASIS

* TOMATOES AND TOMATO PRODUCTS

PRODUCTION OF INEDIBLE TALLOW AND GREASE CONTINUES TO INCREASE

Inedible tallow and grease have played an increasingly important role in our fats and oils economy in recent years. These "twins" are byproducts from cattle and hogs—sheep, poultry, and other animals contribute only small quantities.

Either fat can be derived from either animal, but in practice, most of the tallow comes from beef and most of the grease comes from hogs. Tallow is a firmer animal fat than grease.

While separate statistics are not available for tallow or grease it is believed that tallow has comprised over three-fourths of the total output in recent years. Therefore, tallow and grease production depends primarily on cattle slaughter rather than hog slaughter.

We expect cattle slaughter to continue its uptrend during the next year; hog slaughter to drop only slightly.

This will probably push inedible tallow and grease production up to 3.6 billion pounds in the 1960-61 marketing year (started last October 1), about 2 percent more than last year's record.

We'll probably use 1.8 billion pounds in this country in 1960-61, about the same as in each of the past 4 years. Exports will probably also reach 1.8 billion pounds—up 5 percent from last year's record.

Inedible tallow and grease production increased from 2.3 billion pounds in 1951-52 to a record 3.5 billion in 1959-60, a rise of over 50 percent. This growth was associated with the uptrend in livestock slaughter.

Exports . . .

We produced about half of the world's tallow and grease in 1960 and accounted for about two-thirds of the world trade.

Heavy exports of our inedible tallow and grease are a relatively new phenomenon. They increased from a mere 74 million pounds in 1947-48 to the record 1.7 billion of 1959-60. This large increase has absorbed the large sur-

pluses of tallow and grease which have developed in the postwar era. Exports have been stimulated by the low prices of tallow and grease—our tallow is the lowest priced fat or oil in the world today.

We will probably be able to move a rising volume of tallow and grease into export channels. U.S. tallow prices are expected to continue at a relatively low level, resulting in a strong competitive position with other fats and oils on the world market.

Use . . .

For years most of our inedible tallow and grease went into soap. But the marketing pattern for these products has been radically altered in recent years. The rise in the use of detergents, combined with increased tallow production, has channeled more tallow into export channels.

The sharp drop in tallow used in soap has been offset by expanding use in other products such as fatty acids and animal feeds. Inedible tallow and greases are also used in plastics, nylon, synthetic detergents, and synthetic rubber.

Use in animal feeds increased from 71 million pounds in 1953-54 to 439 million in 1959-60. These fats are added to animal feeds as a replacement for carbohydrate, and also to increase the fat content of the feed and to improve its appearance. The productive energy of tallow is approximately 2.6 times that of ground corn. Relatively low tallow prices have been at least partly responsible for increased use of fats in feeds in recent years.

Nevertheless, soap is still by far the major domestic outlet. In 1959-60, use in soap accounted for 41 percent of total domestic consumption, use in animal feeds 25 percent, use in fatty acids 22 percent, and all other uses 12 percent. These consumption trends are expected to continue in 1960-61.

George W. Kromer
Agricultural Economics Division, AMS



OUTLOOK

Turkeys

The outlook is for higher turkey production in 1961, topping the record 1960 crop of 82 million. (See the story on page 14.)



Eggs

Egg prices of recent months are encouraging large hatchings of egg-type chicks. Although early January prices showed a sharp seasonal decline, they remained well above year-ago levels to provide further inducement to poultrymen. In recent months, the hatch has been running well above a year earlier and this is expected to continue for the first quarter of 1961.



Vegetables

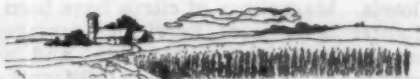
Supplies of vegetables for fresh market are likely to be a little smaller this winter than last. More frozen vegetables will be available in the next few months than a year earlier. Supplies of potatoes are up moderately from a year ago.

Feed

For the first half of 1961, corn and sorghum prices should show further seasonal gains, probably rising near the 1960 support prices by summer. Oats

and barley prices are presently above 1960 supports and probably will stay that way during the next few months. The big feed grain crop will more than meet this year's feed requirements. It will probably increase carryovers into 1961-62 8 to 10 million tons over the 75 million tons of 1960-61.

Prices of feed grains rose during December and early January from the lows early in the marketing year. Average prices received by farmers were up 4 percent from November to December. Feed grain production reached a record of 168 million tons in 1960, 3 percent over 1959, and 23 percent over the 1954-58 average.



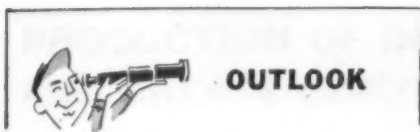
Wheat

Cash prices for wheat advanced in winter wheat markets, and were at or near the high for the season.

As of the first of December, growers had placed 365 million bushels of the 1960 wheat crop under price support, 27 percent of the total crop.

Broilers

Broiler marketings this month will be about 9 percent more than a year earlier, and 4 percent higher in March than they were in March 1960. Broiler prices in the final months of 1960 showed less seasonal decline than in recent years. Early this January, they picked up from the preceding month, but were about 1 percent below mid-January 1960 levels of 17.1 cents a pound.



Continued . . .

Cattle

Farmers plan to market more cattle and calves between January and March of this year than they did last winter. (See the story on page 9.)



Citrus Fruit

Packers' stocks of frozen orange concentrate are well below a year ago because of the delayed movement of Florida oranges. With stocks down, processor demand for citrus is expected to continue strong; processor use of Florida citrus should be seasonally heavy this winter.

Early January market prices for most fruits were higher than a year ago, and are expected to remain above 1960 levels. Marketings of citrus have been lighter because of hurricane damage and dry weather in Florida, and a smaller navel orange crop in California.



Milk

Milk prices to farmers through March will probably average somewhat higher than in 1960. After March the level of price supports (to be announced before next April) will be important in determining the level of these prices.

Fats and Oils

Total disappearance of food fats and oils for the 1960-61 marketing season should rise slightly, with domestic use reaching a new peak at about 9.0 billion pounds, and exports continuing about the same as last year's record level of about 3.9 billion pounds. Prices are

remaining above 1960 levels, with further increases expected during the rest of the marketing year.

Soybean crushings are being stimulated by strong demands for edible vegetable oils and protein feeds. Crushings in October-December 1960 were at 110 million bushels, 5 million above last year. For the entire marketing season, they will probably run around 400 million bushels, about the same as the last 2 marketing years.

Hogs

Prospective increases in hog production point to a larger pork output during the last half of 1961 than there was a year earlier. (See the story on p. 1.)

Sheep

The number of sheep and lambs on feed for winter and early spring market in 26 States was 2 percent less on January 1 than the number on feed a year earlier. (See the story on p. 13.)



Tobacco

Tobacco marketings of the 1960 burley crop have been virtually completed. Prices at auctions for the season through mid-January averaged 64.4 cents per pound, 4 cents higher than last season. Supplies of burley for the marketing year, at 1,687 million pounds, are a little lower than those of last season.



Cotton

Exports of cotton for the current season should be about 6.5 million bales compared with the 7.2 million bales of a year earlier. Domestic cotton use is also likely to be smaller than the 9 million bales of the 1959-60 season. However, total disappearance will still exceed production. Carryover next August probably will be smaller than the 7.6 million of August 1960.

FARMER'S SHARE OF FOOD DOLLAR WENT UP LAST YEAR

Farmers received 39 cents of each dollar consumers spent for farm foods in retail stores in 1960—1 cent more than they did in 1959.

The farmer's larger 1960 share reflected the increase in farm prices—an increase not offset by the negligible rise in marketing charges. Prices received by farmers were 2 percent higher while prices at retail were up only 1 percent.

Not much change in retail food prices, farm prices, and marketing charges is expected in 1961.

In the past the farmer's share of the consumers' dollar fluctuated between the low of 32 cents in 1932 and '33 to the high of 53 cents recorded in 1945. Over the past 20 years or so, it rose from 38 cents in 1939 to the 53 cent high of 1945. Then it declined to 47 cents in 1949 and 1950. In 1951, during the Korean conflict, it rose to 49 cents then fell to 40 cents in 1956 where it remained through 1958 before

dropping to 38 cents in 1959. (See the chart.)

The farmer's share of the dollar consumers spent for meat products at retail rose from 52 cents in 1959 to 53 cents in 1960. Since 1940 the farmer's share of the meat products dollar has only been lower twice—in 1956 and in 1959.

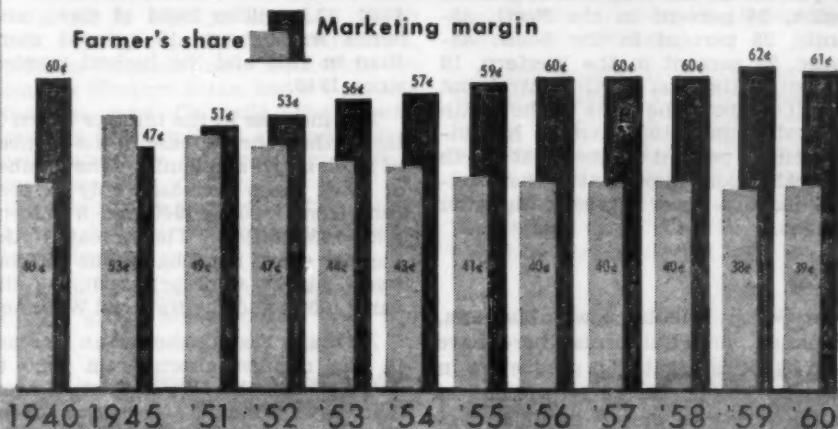
His share for dairy products and bakery and cereal products remained unchanged—45 cents for dairy products and 17 cents for bakery and cereal products. Bakery and cereal products remained at the lowest level since 1938.

The farmer's share for poultry products rose from 59 cents in 1959 to 62 cents in 1960. His share for fruits and vegetables rose from 29 cents in 1959 to 30 cents in 1960. The farmer's share for fats and oils was 27 cents in 1960, 2 cents higher than in 1959.

Forrest Scott

Marketing Research Division, AMS

FARMER'S SHARE AND MARKETING MARGIN OF RETAIL FOOD DOLLAR*



* DATA FOR MARKET BASKET OF FARM FOODS BASED ON AVERAGE 1952 PURCHASES BY URBAN FAMILIES
DATA FOR 1959 ARE PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE

REG. 1861A-59 (10) AGRICULTURAL MARKETING SERVICE

SHORN WOOL PRODUCTION UP 22 PERCENT SINCE 1950

An increase in the number of sheep and lambs shorn has pushed domestic wool production up 22 percent since 1950, when our second lowest output was recorded.

Contributing to the production increase were: Relatively higher wool prices of the early 1950's, the incentive payments of the National Wool Act since 1955, and the ending of drought conditions in the Southern Great Plains.

The increase in production has varied considerably by State and region. All States, except Michigan, Missouri, West Virginia, and Texas, had a larger output in 1960 than in 1950. In general, the "fleece or native" wool States increased their production more in the early and mid-1950's, while the increase in the 11 Western states, plus Texas and South Dakota, has been in the last 3 years.

Most regions produced about the same proportion of the total in 1960 as they did in 1950, except for the shift in shorn wool production from the South Central to the West North Central region. From 1950 through 1960 shorn wool production increased 64 percent in the West North Central region, 34 percent in the North Atlantic, 25 percent in the South Atlantic, 22 percent in the Western, 19 percent in the East North Central, but remained about the same in the South Central. Since 1955, output has increased 31 percent in the West North Central region, 12 percent in the Western, and to a lesser degree in the other regions.

States . . .

In South Dakota, Iowa, Montana, Wyoming, and California there have been significant gains in production in the past decade. In Texas, the largest producing State, output declined during the mid-1950's due to severe drought. Since 1958, however, production has increased almost 30 percent in Texas, approaching the level of 1950.

Shorn wool production in the United States in 1960 was estimated at 265 million pounds, grease basis, the highest since 1946 and 13 percent above 1955 when the National Wool Act went into effect. The gap between yearly shorn wool production and the 300-million pound goal set by the Act has narrowed.

The Act expires on March 31, 1962. Incentive payments will not be continued unless the Act is extended in the current session of Congress. For the 1961-62 marketing year, the incentive level has been established at 62 cents a pound, grease basis, the same level as for each of the first 6 years.

Imports of raw apparel wool have declined from 250 million pounds, clean content, in 1950 to approximately 75 million pounds in 1960.

This reflects, in part, the increase in our shorn wool production, but is primarily due to lower mill consumption and to an increase in the imports of wool products.

Number Shorn . . .

The number of sheep and lambs shorn has increased 21 percent since the record low number of 1950. In 1960, 32.1 million head of sheep and lambs were shorn, 17 percent more than in 1955 and the highest number since 1946.

The increase in the number shorn is larger than the increase in the number of stock sheep and lambs. The number of stock sheep increased only 12 percent from 1950 to 1960 and 8 percent from 1955 to 1960. The increase in the number shorn is probably due to relatively higher wool prices during the early 1950's and the National Wool Act.

All major regions showed an increase in the number shorn from 1950 to 1960, except the South Central area. The largest increase occurred in the West North Central region, followed by the North Atlantic, Western, South Atlantic, and East North Central regions.

(continued on page 10)

CATTLE ON FEED UP 6 PERCENT

On January 1 this year, cattle and calves on feed for market reached a record high of 7.6 million head in the 26 major feeding States—the North Central States, Western States, Pennsylvania, Oklahoma, and Texas. This was 6 percent above the 7.2 million head on feed in these States January 1 last year and up seasonally from the 5.1 million head on feed October 1, 1960.

An additional 367,000 head were on feed for market in 11 Southeastern States the first of the year. These States had 362,000 head on feed January 1, 1960—the first date cattle on feed data became available in these States. The 26 States plus the 11 Southeastern States give a total of nearly 8 million head of cattle and calves on feed compared with 7.5 million head a year earlier.

The North Central region with 5.1 million head on feed January 1 showed a 6 percent gain from January 1 last year. Iowa, the leading State, was down 1 percent, but Illinois was up 6 percent and Nebraska was up slightly. All other States in this region, except Michigan which was down 5 percent, were unchanged or higher than a year earlier.

In the 11 Western States cattle on feed were up 5 percent this January 1, totaling 2 million head. California, the leading Western State, had a 7 percent increase, and Colorado, the second ranking Western State, showed a 2 percent gain from a year earlier. Other increases ranged from 2 percent in Wyoming to 16 percent in Utah. New Mexico, Nevada, and Washington registered declines.

In the 26 major feeding States cattle in the group weighing less than 500

pounds were down 1 percent and those in the over 1,100 pound group were down 3 percent. Cattle weighing 500–899 pounds were up 9 percent and the number in the 900–1,099 pound group was up 6 percent.

On January 1, cattle and calves in the 26 States that had been on feed less than 3 months were up 8 percent, accounting for most of the increase in total numbers on feed. The number on feed 3 to 6 months was up 2 percent, but those on feed over 6 months were down 1 percent.

Steers and steer calves made up a slightly larger proportion of the total number on feed this year, but cows and others made up a smaller proportion of the total than a year earlier. Percentages of total this January 1 were: steers and steer calves 70 percent, heifers and heifer calves 29 percent, and cows and others 1 percent.

Cattle and calves placed on feed in the 26 States during October, November, and December 1960 totaled 5.6 million head, 7 percent more than a year earlier. Marketings of fed cattle during this same period totaled 3.1 million head, up 3 percent. Marketings were down 4 percent in the North-Central States, but were up 15 percent in the Western States.

Cattle feeders in the 26 States expect to market about 3.3 million head of fed cattle (44 percent of the January 1 number on feed) during January, February, and March 1961—6 percent more than they marketed during the same period last year from the cattle and calves on feed January 1, 1960.

Dan L. Herbert
Agricultural Estimates Division, AMS



AVAILABILITY OF GRASS AND LEGUME SEED THIS YEAR

The first signs of spring rekindle in the hearts of farmers the desire to begin plowing and preparing seedbeds. They bring to mind the successes and failures of last year's crops, and perhaps a desire to try some different kinds and varieties of seed.

One of the many important things to be considered is the availability of grass and legume seeds. This year, supplies of most kinds of seed are adequate, but some are in short supply and substitutions will have to be made.

Compared with the supplies available in previous years and with requirements for domestic use, indications are that Korean, Kobe, and Common lespedezas are in short supply this year. Bentgrass, crested wheatgrass, orchardgrass, and Sudangrass are also in tight positions.

Supplies of smooth brome grass and white clover are barely adequate, but they may be bolstered by imports of foreign grown seeds. If you need any of these seeds it would be well to place your orders early and take delivery as soon as possible.

The visible supply is ample to liberal for winter and summer seeding requirements for alfalfa, red clover, sweet-clover, alsike clover, and Ladino clover. Grasses in this supply category are timothy, redbud, Kentucky bluegrass—both common and improved strains—Chewings fescue, red fescue, tall fescue (alta and Ky 31), common ryegrass, and perennial ryegrass.

Kinds and varieties of seed are important. If you need hay buy the legumes and grasses best suited for that purpose. If you want silage or pasture, get the seeds recommended for these uses.

The varieties you select should be adapted to your growing area. This is especially true of hay and pasture crops, such as alfalfa, red clover, timothy, and orchardgrass, which are expected to survive the winters. If your farm is in the northern part of the country use winter-hardy varieties. Moderately winter-hardy alfalfa may be used with some risk in northern

areas, but is more adapted to the Central part of the country.

Look for the tag. The tag is required by State and Federal seed laws, and is for your protection. See where the seed was grown. Avoid weedy seed. It may contain wild onion or garlic, both of which are undesirable in pastures, or it may contain dodder and other troublesome weeds.

If you have doubts about adaptability, hardiness, disease resistance, and yield potential for your area, it would be best to consult your county agricultural extension agent. His recommendations are based on tests made by your State experiment station.

A successful farmer's first requirement is good seed. He knows that just as the "tall oaks from little acorns grow," so does a bountiful crop come from good quality seed—high in purity and germination. Good quality seed is a kind of crop insurance.

Thomas J. Kuzelka
Agricultural Estimates Division, AMS

WOOL—Continued

Kentucky, Louisiana, Texas, Missouri, and West Virginia had fewer head of sheep and lambs shorn in 1960 than 1950.

The average fleece weight has varied during the past decade from a low of 8.14 pounds in 1958 to a record high of 8.55 pounds in 1955. The average fleece weight was 8.26 pounds in 1960. By regions, the average fleece in 1960 varied from a low of 5.7 pounds in the South Atlantic to 8.9 pounds in the Western area. By States, it ranged from a low of 4.0 pounds in Florida to a high of 10.4 pounds in Idaho and Wyoming.

Charles Raymond
Agricultural Economics Division, AMS

The Farmer's Share

The farmer's share of the consumer's food dollar was 40 cents in November 1960, 1 cent higher than in October. In November 1959 it was 37 cents.

ARE YOU "UP" ON DAIRY REPORTS?

Do you dairymen sometimes feel a little foggy about what is going on in your industry? Well if you do, the box on the next page may help you keep abreast of the current dairy situation.

The box carries the reports your Crop Reporting Board issues that cover dairying from farm to factory—from warehouse to consumer.

These reports, plus USDA's *Dairy Situation*, other situation reports, and market news reports, can help you analyze the current situation and plan production and marketing. These accurate, timely, unbiased facts enable all segments of the industry as well as economists and government specialists to operate more efficiently without lost motion due to incomplete or incorrect knowledge.

If you see a report you need, contact your State statistician. He can send you a sample copy or have your name added to the mailing list.

The basic data for these reports come from milk producers as well as from fluid milk and cream processors and distributors and milk market administrators throughout the United States. At least once a year every dairy plant in the United States submits a report to the Crop Reporting Board.

The job of collecting these dairying data is not new to USDA. In fact, it dates back to the Civil War when milk cows on farms were counted with the help of early crop reporters.

Categories . . .

Most of today's statistical reports fall into three main categories: (1) Milk cow numbers, milk production and utilization, and related farm information; (2) manufactured dairy products production, stocks, and prices; (3) fluid

milk and cream prices and consumption in major marketing areas.

An annual report, *Milk Production on Farms and Statistics of Dairy Plant Products*, is released in mid-February which provides up-to-date basic information on all three of these major phases of the dairy industry.

Individual Reports . . .

Here is a brief description of the various weekly, monthly, and annual reports.

The general crop report, *Crop Production*, released about the 10th of each month, carries data on milk production for major dairy States and the United States as a whole.

Milk Production, is available a day or two later. It gives more detailed information on farm production, milk flow per cow, percent of cows milked, grains and concentrates fed, feed prices, and dairy product-feed price ratios. This report also contains special information at times, on milk cow numbers and interstate movement of dairy cattle, as well as grain and roughage ration makeups.

About April 15, an annual report, *Milk, Farm Production, Disposition, and Income* summarizes information on the number of milk cows, production per cow, and total production in terms of milk and milkfat. It also gives a rundown on many factors relating to the use and marketing of milk and cream such as "milk fed to calves, consumed as fluid milk or cream on farms, and used for farm-churned butter, milk and cream sold to plants and dealers or retailed by farmers, cash receipts from marketing of milk and cream and the farm value of milk produced.



REPORTS—Continued

A special feature of this report is a complete balance sheet showing the quantities of milk used in making the various factory products, farm uses, fluid consumption, and miscellaneous items. All of these uses add up to the total milk produced. Primarily, all of the basic data on milk production and related information come from many thousands of dairy farmers scattered throughout every county of the United States reporting to 43 State-Federal crop and livestock reporting service field offices.

Since 1917, a complete annual survey of dairy products manufactured in plants has been made and the results published in the report, *Production of Manufactured Dairy Products*. The information in this report is obtained by mailed inquiries to approximately 40,000 establishments, mostly in cooperation with State agencies. Monthly and annual data, by States, are provided on 47 individual dairy commodities.

At the request of the dairy industry USDA asks many dairy plants to supply information for current estimates on production and prices of milk used for dairy products. These production estimates appear in the weekly *Creamery Butter Production and American Cheese Production Reports* (by regions), and in the monthly, *Production of Creamery Butter, and American Cheese* (includes: "miscellaneous" types of cheese) and *Production of Ice Cream and Related Frozen Products* (includes: ice cream, sherbet, ice milk, Mellorine, and water ices).

Figures on all but the condensed and dried products are prepared and released in Chicago. The Chicago office also releases a weekly *American Cheese Warehouse Report*, presenting data on the assembling of American cheese by styles, by regions, and on receipts, and stocks, by styles, in Wisconsin. Chicago also releases these monthly reports: *Milk Prices Paid by Creameries and Cheese Plants*, and *Production of Cottage Cheese*. Another job of the Chicago office is to collect and summarize data on the prices received for spray and roller process non-fat dry milk at plants in the Chicago area

Dairy Reports

1. General crop report, carries data on milk production for major dairy States—United States as a whole (released each month).
2. Detailed information on farm production, milk flow per cow, percent of cows milked, grains and concentrates fed, dairy product-feed price ratios (published monthly).
3. Number of milk cows, production per cow, total production in terms of milk and milkfat, factors relating to use and marketing of milk and cream (published in April).
4. Basic information on production, processing and consumption (published in February).
5. Dealers buying prices of milk for fluid use, quantity of milk receipts and sales, price trends in fluid markets (published monthly).
6. Data on per capita and total consumption of fluid milk and cream for selected marketing areas (published every two years).
7. Complete annual survey of dairy products manufactured in plants (published annually).
8. Current activities in manufacturers' production, stocks, shipments, and prices of condensed and dried products, and prices paid to farmers for milk used in evaporating (published monthly).
9. Current estimates on production of creamery butter by regions (published weekly).
10. Current estimates on production of American cheese by regions (published weekly).
11. Current estimates on production of American cheese by States and miscellaneous cheese nationally (published monthly).
12. Current estimates on production of creamery butter by States (published monthly).
13. Current estimates on production of ice cream by States and related frozen products nationally (published monthly).
14. Production of cottage cheese—monthly comparisons (published monthly).
15. Milk prices paid by creameries and cheese plants by major States and United States (published monthly).

REPORTS—Continued

(Minnesota, Wisconsin, Michigan, Illinois, and Indiana). This is used by many milk market administrators in their formulas for determining milk dealers' buying prices to dairymen.

A monthly report the *Condensed, Evaporated, and Dry Milk Report* is issued from Washington to keep the industry posted on current activities in manufacturers' production, stocks, shipments, product prices, and prices paid to farmers for milk. The prices paid by condenseries to dairymen for milk (when they are combined with the prices obtained at Chicago for milk used in making butter and American cheese) form the basis for the well-known manufacturing milk price series used in connection with parity equivalents and the government milk price support program.

A great deal of effort has been expended for the past four decades to supply information on current price trends in fluid milk markets over the country. The principal outlet for such information is the current monthly *Fluid Milk and Cream Report*. About 160 of the major marketing cities or areas of the United States are represented in this report. These markets cover almost two-thirds of all the milk and cream consumed in cities and villages in this country. Data, by selected markets, are shown on dealers' buying prices of milk for fluid use, wholesale and retail prices of milk sold from stores or delivered to homes, and the quantity of milk receipts and sales.

Data on consumption of fluid milk and cream, both per capita and in total, are prepared and published every 2 years in *Fluid Milk and Cream Consumption* for the Northeast and other selected areas. The latest issue of this report was available in April 1960. Annual estimates of total and per capita consumption of the non-farm population for the United States as a whole are released each April in the monthly *Fluid Milk and Cream Report*.

The comprehensive reporting system represented by these publications is constantly being reviewed and modified to keep up with changes in the dairying industry.

Ira E. Wissinger
Agricultural Estimates Division

FEWER SHEEP AND LAMBS ON FEED

Producers were feeding 4.3 million sheep and lambs for market on January 1, two percent fewer than a year earlier.

Over half of them—2.5 million head—were being fed in the North Central States. This number was less than one percent smaller than on January 1, 1960. The sharpest decline was in Nebraska where numbers were 13 percent smaller than a year earlier. Numbers on feed decreased 6 percent in South Dakota and 3 percent in Illinois. Ohio, Michigan, and Iowa showed no change. Increases were as follows: Indiana, Minnesota, and North Dakota, 10 percent each; Kansas, 7 percent; and Wisconsin and Missouri, 5 percent each.

Sheep and lambs on feed in the 11 Western States totaled 1.4 million head—6 percent less than a year earlier. Decreases in Idaho, Colorado, New Mexico, and California were only partially offset by increases in Montana, Wyoming, and Arizona. No changes were shown in Utah, Nevada, Washington, and Oregon.

Texas showed a decrease from a year earlier but Oklahoma and New York showed increases.

Seven States . . .

Sheep and lambs on feed increased 2 percent from November 1, 1960, to January 1, in seven major feeding States. Increases were 27 percent in both Kansas and Texas, 5 percent in South Dakota, and 4 percent in Colorado. Decreases were 11 percent in Nebraska, 5 percent in California, and 2 percent in Iowa.

Some 702,000 head were placed on feed in these seven States during November and December. Marketings of fed sheep and lambs during the 2 months totaled 645,000 head.

Fraser T. Galloway
Agricultural Estimates Division, AMS



Large Turkey Crop in Prospect

On January 1, turkey growers intended to produce about 99 million turkeys in 1961. If they carry out these intentions, our turkey crop will be the largest of record—17 million more than the record crops of 1959 and 1960.

The industry is in a position to attain the intended increase if conditions later in the season prove favorable. Testings of all heavy breed turkeys for hatchery supply flocks from July through December 1960 at 3.1 million were the largest of record—up 43 percent from this period in 1959, and 25 percent above the previous record for these months set in 1956. Feed supplies were plentiful in 1960 and prices received for live turkeys were generally higher in 1960 than in 1959. These factors are important contributors to the intended increase in the 1961 crop.

Heavy Breeds . . .

Growers intend to raise 88.8 million heavy breed turkeys in 1961, 23 percent more than in 1960. They plan to raise 29 million heavy white breed turkeys, 34 percent more than in 1960. If the growers' plans are carried out heavy white breeds will account for about 33 percent of all heavies raised in 1961. In 1960, they accounted for 30 percent. Production of heavy whites has consistently increased during the past few years. Growers plan to raise 59.8 million bronze and other heavy breeds in 1961, an increase of 17 percent from 1960.

Intentions point to a crop of 10.3 million light breed turkeys this year, 5 percent more than in 1960.

These figures are neither estimates nor forecasts of the 1961 turkey crop. They reflect growers plans of January 1. The actual number of turkeys raised in 1961 may vary from these intentions. The reported intentions plus weather, disease, and prices may cause a shift in these plans.

Robert F. Moore
Agricultural Estimates Division, AMS

DROP IN RICE CARRYOVER SEEN

A further reduction in the carryover of rice is expected August 1, 1961, mainly as a result of continued large exports under Government programs. Tentative estimates for exports in 1960-61 are 29.7 million hundredweight, about the same as the high level of 1959-60.

Rice supplies in 1960-61 total 67 million cwt. The carryover August 1, 1960, was 12.1 million cwt., down 23 percent from a year earlier. The 1960 rice crop is estimated at 54.4 million cwt., only slightly larger than the 1959 crop but 12 percent above the 1949-58 average. The yield per harvested acre of 34.11 cwt. in 1960 surpasses the 1959 record of 33.69 cwt., with acreage up slightly. Imports are estimated at 0.5 million cwt.

With exports and domestic use estimated to be about the same as a year earlier, stocks on August 1, 1961, will amount to about 9.1 million cwt., a fourth less than in 1960, and three-fourths less than the record 34.6 million cwt. of 1956.

If about the same acreage of rice is harvested in 1961 as in 1960, and if yields are about equal to the average of the past 3 years, a crop of about 52.7 million cwt. would be produced, compared with 54.4 million cwt. in 1960 and the 1954-58 average of 51.4 million.

Carryover in 1962 . . .

Assuming little change in domestic disappearance in the 1961-62 marketing year and exports of possibly 25 million cwt., there would be a further reduction in the carryover on August 1, 1962. Exports of 25 million cwt. would be below the 29.7 million estimated for 1960-61 and the 29.3 million in 1959-60.

The season average price received by farmers for rice in 1960-61 is currently estimated at \$4.59 a cwt., 17 cents above the support price of \$4.42 a cwt.

Robert Post
Agricultural Economics Division, AMS

"Bert" Newell's Letter

The other day a friend of mine stopped me in the hall and wanted to see my finger. I couldn't figure out what he was driving at until he told me he was interested in the one I cut on the scythe. Then I remembered and showed him the half moon scar. "Ah, shucks," he said, "That's nothing. I thought you cut it off." Now I didn't say that I cut it off, but he contended that from the way I told it he was sure all he was going to see was the stub.

Now here I am, always talking about accurate reporting, and get "mouse-trapped" in a thing like that. It just goes to show you never can let your guard down. We do have to be awfully careful with the way we say things, and, in fact, sometimes we get accused of being too careful. But you see, when we make a report, it is official and it gets used and quoted all over the place. So, we have to check and doublecheck everything.

I remember once, early in my career as a young statistician, I got some wires and a local news report that painted a very black picture about a frost that had nearly wiped out the fruit crop in my State. This was a real hot situation, and I went tearing out to see what had happened. I headed for an old-timer and one of the best fruit men in the area. He wasn't even very excited. He told me to wait a few days because things like that always look worse in the first few days than they really are. I remembered that experience I told you about with the Ozark peach crop, and with some misgivings tucked the reports in my pocket and headed for home. It was a good thing I did because later growers' reports were not nearly so black, and when the crop began to move, the reports of harvest and the record of carlot shipments showed about an average crop.

I don't doubt that a great many of you can remember many instances of this sort. You will recall back a few years ago when the Kaw River and the Missouri and Mississippi and some

others went on a rampage and flooded out an awful lot of wheat. Local reports made the situation look pretty bad and, in fact, some got the impression that the whole Kansas wheat crop had been wiped out. But when our State offices with your help and the help of detailed weather reports got into the act and actually plotted out the areas flooded, it really didn't amount to a very large proportion of the total acreage in the area. Of course, there was a lot of damage, and the crop didn't come up to what had been expected; but when the chips were down, it was a far cry from a total loss.

Now, I'm not trying to brag or pat ourselves on the back—but, of course, it is nice to get patted on the back if it isn't too far down—because it's our job to get a total picture. Our field offices, covering each State through travel by trained specialists, contacts in all areas and particularly the detailed coverage we get through your assistance as reporters, make it possible for us to appraise the situation much more thoroughly than any other organization. Because we are expected to get an accurate picture makes it all the more important that we use every care in making our reports.

Now let me get this business of cutting my finger on the scythe straight: I didn't cut it off. I can button my collar and tie my shoes without any difficulty. I do have a definite scar on my right index finger to prove that I wasn't spoofing in the first place. Furthermore, not to disappoint some of you that expressed sympathy, there still isn't very much feeling in the area around the scar.

It's real easy to get a little too exuberant in a personal letter like this. From now on, though, I guess I had better be a little more careful how I talk in this epistle.



S. R. Newell
Chairman, Crop Reporting Board, AMS

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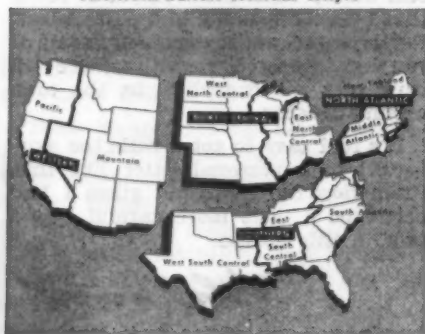
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Editor: Nicholas Kominus
Assistant Editor: William Whyte



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